GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1459
ANSWERED ON:11.03.2005
CIRCULATION OF MUTILATED CURRENCY NOTES
Athawale Shri Ramdas

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that mutilated currency notes are in circulation throughout the country particularly in Maharashtra;

(b) if so, the details thereof;

(c) whther the Government is aware that even the nationalised banks are not accepting the mutilated currency notes as a result of which the common people are facing difficulties; and

(d) if so, the action taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) and (b) Yes, Sir. Occasional complaints of circulation of mutilated currency notes in the country have been received.

(c) and (d) Clean Note Policy announced in January, 1999 by the RBI envisages making available fresh and clean notes to the citizens and to provide them facility for exchange of their soiled and mutilated notes through banking channels. Mutilated currency notes are also mopped up from circulation through sustained measures like special campaign, mobile vans, keeping open select branches on Sunday etc.

RBI has issued directions to banks to sort out notes into issueable & non-issueable notes and issue only clean notes to the public. Its implementation is monitored by RBI through regular inspection of bank branches and exhorting the public through media to insist upon only clean notes from the banks.